

**BANK INDONESIA REGULATION
NUMBER 2/15/PBI/2000**

CONCERNING

**AMENDMENT TO DECREE OF THE BOARD OF MANAGING
DIRECTORS OF BANK INDONESIA NUMBER 31/150/KEP/DIR
DATED NOVEMBER 12, 1998 CONCERNING DEBT
RESTRUCTURING**

THE GOVERNOR OF BANK INDONESIA,

- Considering:
- a. whereas for the recovery of the national economy, the corporate restructuring program currently under way needs additional support to achieve the desired goals;
 - b. whereas to achieve this condition, it is necessary to make adjustments to prudential regulations in banking, in particular concerning the deadline for temporary equity participation by banks within the framework of debt restructuring;
 - c. now therefore it is deemed necessary to enact an amendment to Decree of the Board of Managing Directors of Bank Indonesia Number 31/150/KEP/DIR dated November 12, 1998, concerning Debt Restructuring in a Bank Indonesia Regulation;

- In view of:
- 1. Act Number 7 of 1992 concerning Banking (State Gazette Number 31 of 1992, Supplement to the State Gazette Number 3472) as amended by Act Number 10 of 1998 (State Gazette Number 182 of

1998, Supplement

1998, Supplement to the State Gazette Number 3790);

2. Act Number 23 of 1999 concerning Bank Indonesia (State Gazette Number 66 of 1999, Supplement to the State Gazette Number 3843);
3. Decree of the Board of Managing Directors of Bank Indonesia Number 31/150/KEP/DIR dated November 12, 1998, concerning Debt Restructuring;

HAS DECREED:

To enact: **THE BANK INDONESIA REGULATION CONCERNING AMENDMENT TO DECREE OF THE BOARD OF MANAGING DIRECTORS OF BANK INDONESIA 31/150/KEP/DIR DATED NOVEMBER 12, 1998 CONCERNING DEBT RESTRUCTURING.**

Article I

Hereby are amended the provisions of Article 12 in Decree of the Board of Managing Directors of Bank Indonesia Number 31/150/KEP/DIR dated November 12, 1998, concerning Debt Restructuring, so that Article 12 in its entirety reads as follows

“Article 12

- (1) Equity participation as referred to in Article 11 paragraph (1) shall be withdrawn in the event of:
 - a. exceeding a period of not more than 5 (five) years; or
 - b. the debtor company receiving the equity participation has posted a cumulative profit;

(2) Equity ...

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- (2) Equity participation as referred to in Article 11 paragraph (1) shall be written off from the balance sheet of the Bank in the event that it exceeds a term of 5 (five) years.”

Article II

This Bank Indonesia Regulation shall come into force on the date of its enactment.

Enacted in Jakarta,
Date: June 12, 2000

THE GOVERNOR OF BANK INDONESIA

SYAHRIL SABIRIN

STATE GAZETTE OF THE REPUBLIC OF INDONESIA NUMBER 89 OF
2000

DPNP

ELUCIDATION
TO
BANK INDONESIA REGULATION
NUMBER 2/15/PBI/2000

CONCERNING

AMENDMENT TO DECREE OF THE BOARD OF MANAGING
DIRECTORS NUMBER 31/150/KEP/DIR DATED NOVEMBER
12, 1998, CONCERNING DEBT RESTRUCTURING

I. GENERAL REVIEW

The program for national economic recovery commenced with the adoption of several measures for national bank restructuring, among others the measures instituted through the government guarantee program, the bank recapitalization program, and the restructuring of bank credit. A subsequent measure undertaken for the program for national economic recovery is corporate restructuring. The corporate restructuring program is closely tied with the ongoing efforts to strengthen the assets of the banking system through the debt restructuring program.

In implementation, the debt restructuring and corporate restructuring programs undertaken to date have experienced a series of impediments, one of which is a provision related to prudential principles in the management of banks.

Concerning this difficulty, and taking into account that debt restructuring and corporate restructuring will in turn strengthen the assets of the banking system and stimulate activity in the real sector, it is necessary to amend the prudential regulations concerning the deadline for exit from Bank Equity Participation undertaken within the framework of debt restructuring.

II. ARTICLE BY ARTICLE

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Article I

Article 12

Paragraph (1)

Letter a

Self-explanatory

Letter b

Cumulative profit is defined as a company's profit after deduction for losses incurred in previous years.

Paragraph (2)

Self-explanatory

Article II

Self-explanatory

SUPPLEMENT TO THE STATE GAZETTE OF THE REPUBLIC OF
INDONESIA NUMBER 3972

DPNP